

Public Chapter 323

SENATE BILL NO. 544

By Haun, Haynes, Elsea, Henry

Substituted for: House Bill No. 442

By Fowlkes, Robinson, White, Rinks, Kisber, Davis, Huskey, Kent, Haley, Larry Turner,
Ulysses Jones

AN ACT To amend Tennessee Code Annotated, Title 67, relative to taxes imposed upon the sale or use of petroleum and other products.

WHEREAS, Some influential members of Congress are pushing legislation to slash the federal motor fuel user fee by twelve (12) cents per gallon; and

WHEREAS, The federal motor fuel fee is the source of funding for more than forty percent (40%) of all highway and bridge capital investment in Tennessee; and

WHEREAS, Such a reduction in the federal motor fuel fee would create a shortfall in the funding of much needed highway and bridge maintenance and construction projects; and

WHEREAS, It is important to protect the investment the citizens of the State of Tennessee have already made in their transportation infrastructure; and

WHEREAS, If the Congress reduces or eliminates the federal motor fuel fee the State of Tennessee should increase its motor fuel fee the same amount as the federal reduction; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, is amended by adding the following appropriately numbered subsection:

() Notwithstanding any provision of the law to the contrary, if the federal government shall reduce or eliminate any or all taxes imposed by Title 26 of the United States Code and allocated by Chapter 98 of that title to the federal Highway Trust Fund, there is hereby imposed a state tax on the sale and/or use of such products equal to the reduction in the federal tax. The Department of Revenue is hereby directed to collect such taxes and allocate such taxes in their entirety, less the appropriate cost of administration, to the State Highway Trust Fund for use by the Department of Transportation.

If the federal government elects to increase any or all taxes imposed by Title 26 of the United States Code and allocated by Chapter 98 of that title to the Federal Highway Trust Fund after it has reduced or eliminated such taxes, the

state tax on the sale and/or use of such products is hereby reduced equal to the amount of the increase by the federal government. No amounts of revenue received pursuant to the provisions of this subsection shall be pledged specifically to the payment of debt service on any state bond or note.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.